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# NASA Procedural Requirements

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 (NASA Only)

## Subject: Investments

**Responsible Office: Office of the Chief Financial Officer**[| TOC](#) | [Preface](#) | [Chapter1](#) | [AppendixA](#) | [AppendixB](#) | [ALL](#) |

## Chapter 1. Investments

### 1.1 Overview

1.1.1 This chapter prescribes the accounting requirements for recording and reporting investment transactions. Investments represent the value of securities with the U.S. Treasury.

### 1.2 Agency Requirements

1.2.1 NASA invests in market-based Government accounting series bonds and bills issued by the U.S. Treasury. Treasury issues bills at a discount with a maturity date of 6 months or less from the date of issue. Treasury issues bonds at a discount or premium. Bonds carry a stated rate of interest, payable semiannually. Market-based bonds mature in more than 10 years. In accordance with Treasury Financial Manual (TFM) 2-4300, NASA may not invest funds before the funds are deposited, collected, and considered available to Treasury. NASA invests in two of its trust funds. The National Aeronautics and Space Administration, Endeavor Teacher Fellowship Trust contains funds that are invested in Treasury bills and those in the Science, Space, and Technology Education Trust Fund are invested in Treasury bonds and bills.

1.2.2 NASA is required to record and report investment transactions in accordance with the directives prescribed in the Statement of Federal Financial Accounting Standard (SFFAS) No. 1, TFM 2-4300, Office of Management and Budget (OMB) Circulars No. A-11 and A-136. Investments should be recognized at their acquisition cost. If the acquisition cost differs from the face (par) value, the security should be recorded at the acquisition cost, which equals the security's face value plus or minus the premium or discount on the investment. Subsequent to their acquisition, investments in U.S. Treasury securities should be carried at their acquisition cost, adjusted for amortization of the discount or premium as applicable. Premiums and discounts should be amortized over the life of the Treasury bonds using the interest method and Treasury bills using the straight-line method.

1.2.3 NASA must use separate receipt accounts to distinguish between the different types of activities (investments, redemptions, and unrealized discounts) and use a point account with the 4-digit appropriation fund or receipt account Treasury Account Symbol (TAS) to classify realized earnings as receipts. Interest receivable shall be recognized as it is earned on investments in interest-bearing securities.

1.2.4 NASA investments in U.S. securities (securities issued by the U.S. Treasury and Federal agencies) are intragovernmental investments and should be accounted for and reported separately from investments in securities issued by non-Federal entities. NASA must use the Intragovernmental Fiduciary Confirmation System to reconcile and confirm investment balances and activity with Treasury's Bureau of Public Debt (BPD) on a quarterly basis.

1.2.5 The components of investments including the market value of the investments should be disclosed in notes to the financial statements, in accordance with the reporting requirements detailed in OMB Circular A-136. NASA is also required to include investment balances in budget reports and schedules. The BPD reports NASA's investment transactions affecting the Fund Balance with Treasury (investment, redemption, and interest received) on their Statement of Transactions (FMS 224) using the NASA TAS.

## 1.3 Roles And Responsibilities.

1.3.1 NASA Agency Chief Financial Officer (CFO)/ Deputy CFO. NASA Agency CFO and DCFO are responsible for investing funds; recording, reporting, and reconciling investment transactions; and monitoring the Statement of Transactions prepared by Treasury's Bureau of Public Debt.

1.3.2 NASA Regional Finance Office/Goddard Space Flight Center CFO. NASA Regional Finance Office/Goddard Space Flight Center CFO is responsible for disbursing interest received on investments as required by 42 U.S.C. § 2467.

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